



PUBLIC NOTICE

Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RECEIVED & INSPECTED

SEP - 6 2002

FCC - MAILROOM

News Media Information 202 / 418-0500
Fax-On-Demand 202 / 418-2830
TTY 202 / 418-2555
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

DA 02-2139

Released: September 3, 2002

DOMESTIC SECTION 214 APPLICATION FILED FOR CONSENT TO TRANSFER CONTROL OF ILLINOIS CONSOLIDATED TELEPHONE COMPANY AND MCLEODUSA PUBLIC SERVICES, INC. TO HOMEBASE ACQUISITION CORP.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 02-257

On August 13, 2002, McLeodUSA Incorporated ("McLeodUSA") and Homebase Acquisition Corp. ("Homebase") (McLeodUSA and Homebase, together, "Applicants"), pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, filed an application for approval to transfer control of McLeodUSA's indirect, wholly-owned subsidiaries, Illinois Consolidated Telephone Company¹ ("ICTC") and McLeodUSA Public Services, Inc.² ("MPS" and ICTC, together, "the McLeodUSA Subsidiaries"), to Homebase.

Applicants assert that this application is subject to streamlined processing under section 63.03(b)(1)(ii) of the Commission's rules because the transferee, Homebase, is not a telecommunications provider.³ Homebase is a newly-formed, privately-held Delaware corporation whose principal business is telecommunications. However, applicants state that Homebase does not currently provide service in any geographic areas. Homebase intends to acquire control of ICTC and MPS by purchasing 100 percent of the capital stock of ICTC and 100 percent of the capital stock of MPS.

¹ ICTC is an independent incumbent local exchange carrier that owns and operates telecommunications facilities over which it provides local exchange, exchange access and competitive telecommunications services in east central Illinois.

² MPS provides competitive telecommunications services, including resold intrastate interexchange and alternate operator services, and also operates private payphones, in a handful of states, including Illinois, Indiana, Missouri, Ohio, and Wisconsin.

³ 47 C.F.R. § 63.03(b)(1)(ii).

McLeodUSA provides, through its operating subsidiaries, integrated communications, including interstate services, primarily in twenty-five Midwest, Southwest, Northwest, and Rocky Mountains states.⁴

Applicants assert that grant of this application will serve the public interest, convenience and necessity by promoting competition among telecommunications carriers. Specifically, applicants state that approval of the proposed transfer of control of the McLeodUSA subsidiaries to Homebase will enable a new entrant to establish a competitive presence in select geographic markets and to concentrate its resources and expertise in providing innovative and diversified service offerings for consumers in these markets.

Applicants state that approval of this application will also enhance McLeodUSA's ability to strengthen its competitive position by implementing its long-term growth plans in its core markets. The applicants also assert that the transfer of control of the McLeodUSA subsidiaries to Homebase will contribute to increasing McLeodUSA's operational flexibility and efficiency, as well as long-term financial viability. Applicants state that the proposed transfer of control will, therefore, ensure the continued provision of innovative, high quality telecommunications services to the public and should promote competition in the domestic telecommunications service market.

GENERAL INFORMATION

The transfer of control application identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments within 14 days** and **reply comments within 21 days** of this notice.⁵ Unless otherwise notified by the Commission, an applicant is permitted to transfer control of the domestic lines or authorization to operate on the 31st day after the date of this notice. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or

⁴ McLeodUSA's operating subsidiaries that provide regulated telecommunications services, excluding ICTC and MPS, include McLeodUSA Telecommunications Services, Inc., Dakota Community Telephone, Inc. and McLeodUSA Telecom Development, Inc.

⁵ *See* 47 C.F.R. § 63.03(a).

rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appear in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Vistrionix, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

- (1) the Commission's duplicating contractor, Qualex International, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: qualexint@aol.com; facsimile: (202) 863-2898; phone: (202) 863-2893.
- (2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: twilson@fcc.gov, and
- (3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 6-A461, Washington, D.C. 20554; e-mail: dcjohnson@fcc.gov; and
- (4) Nandan Joshi, Office of General Counsel, 445 12th Street, S.W., Room 8-A820, Washington, D.C. 20554; e-mail: njoshi@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail qualexint@aol.com.

For further information, please contact Tracey Wilson, at (202) 418-1394 or Dennis Johnson, Competition Policy, Wireline Competition Bureau at (202) 418-0809.

- FCC -